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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-998

1,1,1,2-Tetrafluoroethane from the People's Republic of China: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: We determine that 1,1,1,2-Tetrafluoroethane ("tetrafluoroethane") from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 735 of the Tariff Act of 1930, as amended ("the Act"). This investigation's final dumping margins are in the "Final Determination Margins" section, infra.

DATES: Effective Date: (Insert date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Frances Veith or Bob Palmer, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4295 or (202) 482-9068, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 29, 2014, the Department of Commerce (“Department”) published its Preliminary Determination¹ and postponement of the final determination in the LTFV investigation of tetrafluoroethane from the PRC and on July 1, 2014, we published an Amended Preliminary Determination.² We invited interested parties to comment on our Preliminary Determination of sales at LTFV and Amended Preliminary Determination. For a list of the parties that filed case and rebuttal briefs, see the Issues and Decision Memorandum.³ On September 30, 2014, the Department held a public hearing limited to issues raised in case and rebuttal briefs.

Period of Investigation

The period of investigation (“POI”) is April 1, 2013, through September 30, 2013. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition, which was October 2013.⁴

Scope of the Investigation

The product subject to this investigation is 1,1,1,2-Tetrafluoroethane, R-134a, or its chemical equivalent, regardless of form, type, or purity level. The chemical formula for 1,1,1,2-tetrafluoroethane is $\text{CF}_3\text{-CH}_2\text{F}$, and the Chemical Abstracts Service (“CAS”) registry number is CAS 811-97-2.

¹ See 1,1,1,2-Tetrafluoroethane from the People’s Republic of China: Antidumping Duty Investigation, Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances, in Part, and Postponement of Final Determination, 79 FR 30817 (May 29, 2014) (Preliminary Determination).

² See 1,1,1,2-Tetrafluoroethane From the People’s Republic of China: Antidumping Duty Investigation; Amended Affirmative Preliminary Determination of Critical Circumstances, 79 FR 37287 (July 1, 2014) (Amended Preliminary Determination).

³ See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Issues and Decision Memorandum for the Final Determination of the Antidumping Duty Investigation of 1,1,1,2-Tetrafluoroethane from the People’s Republic of China,” dated concurrently with this notice (“Issues and Decision Memorandum”).

⁴ See 19 CFR 351.204(b)(1).

1,1,1,2-Tetrafluoroethane is sold under a number of trade names including Klea 134a and Zephex 134a (Mexichem Fluor); Genetron 134a (Honeywell); Suva 134a, Dymel 134a, and Dymel P134a (DuPont); Solkane 134a (Solvay); and Forane 134a (Arkema). Generically, 1,1,1,2-tetrafluoroethane has been sold as Fluorocarbon 134a, R-134a, HFC-134a, HF A-134a, Refrigerant 134a, and UN3159.

Merchandise covered by the scope of this investigation is currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) at subheading 2903.39.2020. Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

Verification

As provided in section 782(i) of the Act, between June 4 and June 20, 2014, the Department verified the information submitted by Weitron International Refrigeration Equipment (Kunshan) Co., Ltd. (“Weitron Kunshan”) and Jiangsu Bluestar Green Technology Co., Ltd. (“Bluestar”) for use in the final determination.⁵ We issued our verification reports on July 21, 2014, and July 23, 2014.⁶ The Department used standard verification procedures, including examination of relevant accounting and production records and original source documents provided by respondents.⁷

⁵ See the Department’s four memoranda regarding: (1) “Verification of the Sales and Factors Responses of Jiangsu Bluestar Green Technology Co., Ltd., in the Investigation of 1,1,1,2-Tetrafluoroethane from the People’s Republic of China,” dated July 21, 2014; (2) “Verification of the CEP Sales Response of Weitron International Refrigeration Equipment (Kunshan) Co., Ltd. and Weitron, Inc. in the Investigation of 1,1,1,2 Tetrafluoroethane from the People’s Republic of China (“PRC”),” dated July 23, 2014; (3) “Verification of the Response of Weitron International Refrigeration Equipment (Kunshan) Co., Ltd. in the Investigation of 1,1,1,2 Tetrafluoroethane from the People’s Republic of China (“PRC”),” dated July 23, 2014; and (4) “Verification of the Factors Responses of Zhejiang Juhua Co., Ltd. Organic Fluorine Plant (“JuhuaOP”) in the Investigation of 1,1,1,2 Tetrafluoroethane from the People’s Republic of China (“PRC”),” dated July 23, 2014.

⁶ Id.

⁷ Id.

Analysis of Comments Received

We addressed all issues raised by parties in case and rebuttal briefs in the Issues and Decision Memorandum.⁸ The Appendix to this notice includes a list of the issues which the parties raised and to which the Department responded in the Issues and Decision Memorandum. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and it is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum is available at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Determination

Based on the Department's analysis of the comments received and our findings at verification, we made certain changes to Bluestar's margin calculations. Additionally, we determined that Weitron Kunshan was not an exporter of subject merchandise during the POI. Accordingly, we have not calculated a dumping margin based on the data reported by Weitron Kushan. For a discussion of these changes, see the Issues and Decision Memorandum.

Final Affirmative Determination of Critical Circumstances

We determine that critical circumstances exist with respect to Bluestar, non-individually examined companies, and the PRC-wide entity.⁹

⁸ See Issues and Decision Memorandum.

⁹ See the Issues and Decision Memorandum at Comment 6.

Combination Rates

In the Initiation Notice,¹⁰ the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.¹¹

Final Determination

The final weighted-average antidumping duty (“AD”) margin percentages are as follows:

Exporter	Producer	Weighted-Average Margin (%)
Jiangsu Bluestar Green Technology Co., Ltd.	Jiangsu Bluestar Green Technology Co., Ltd.	280.67 ¹²
Shandong Dongyue Chemical Co., Ltd.	Shandong Dongyue Chemical Co., Ltd.	280.67
T.T. International Co., Ltd.	Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.	280.67
T.T. International Co., Ltd.	Zhejiang Quhua Fluor-Chemistry Co., Ltd.	280.67
T.T. International Co., Ltd.	Jiangsu Bluestar Green Technology Co., Ltd.	280.67
T.T. International Co., Ltd.	Zhejiang Sanmei Chemical Ind, Co., Ltd.	280.67
T.T. International Co., Ltd.	Zhejiang Pujiang Bailian Chemical Co., Ltd.	280.67
T.T. International Co., Ltd.	Jiangsu Jinxue Group Co., Ltd.	280.67
T.T. International Co., Ltd.	Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd.	280.67
Zhejiang Sanmei Chemical Industry Co., Ltd.	Zhejiang Sanmei Chemical Industry Co., Ltd.	280.67
Zhejiang Sanmei Chemical Industry Co., Ltd.	Jiangsu Sanmei Chemicals Co., Ltd.	280.67
PRC-Wide Entity ¹³		280.67

¹⁰ See 1,1,1,2-Tetrafluoroethane from the People’s Republic of China: Initiation of Antidumping Duty Investigation, 77 FR 73832, 73836 (December 9, 2013) (“Initiation Notice”).

¹¹ See Enforcement and Compliance’s Policy Bulletin No. 05.1, regarding, “Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries,” (April 5, 2005) (“Policy Bulletin 05.1”), available on the Department’s Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

¹² Jiangsu Bluestar Green Technology Co., Ltd.’s margin is the only calculated margin. As the only calculated margin, it is the margin assigned to the separate rate companies. Additionally, as it is the higher of the calculated margin or the petition rate, it is also the PRC-Wide Entity margin.

Disclosure

We intend to disclose to parties the calculations performed in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(4)(A) of the Act, the Department will instruct U.S. Customs and Border Protection (“CBP”) to continue to retroactively suspend liquidation of all appropriate entries of tetrafluoroethane from the PRC as described in the “Scope of the Investigation” section, which were entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which the suspension of liquidation was first ordered (*i.e.*, May 29, 2014, the date of publication in the Federal Register of the notice of an affirmative preliminary determination that tetrafluoroethane is being, or is likely to be, sold in the United States at LTFV). Further, pursuant to 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit¹⁴ equal to the weighted-average amount by which the normal value exceeds U.S. price, adjusted where appropriate for export subsidies and estimated domestic subsidy pass-through, as follows: (1) for the exporter/producer combination listed in the table above, the cash deposit rate will be equal to the dumping margin which the Department determined in this final determination; (2) for all combinations of PRC exporters/producers of merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be equal to the dumping margin established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under consideration which have not received their own

¹³ This also includes Weitron International Refrigeration Equipment (Kunshan) Co., Ltd., Zhejiang Bailian Industry and Trade, Jiangsu Jin Xue Group Co., Ltd., SC Ningbo International Ltd, Sinochem Environmental Protection Chemicals (Taichang) Co., Ltd., Sinochem Ningbo Ltd., Zhejiang Quhua Fluor-Chemistry Co., Ltd., Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd. and Aerospace Communications Holdings, Co. Ltd.

¹⁴ See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

separate rate above, the cash deposit rate will be equal to the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These suspension-of-liquidation instructions will remain in effect until further notice.

We did not adjust the final determination AD margins for export subsidies because the Department found no evidence of export subsidies in the companion countervailing duty proceeding. Additionally, the Department did not adjust the final determination AD margins for estimated domestic subsidy pass-through because respondents provided no information to support an adjustment pursuant to section 777A(f) of the Act.

ITC Notification

In accordance with section 735(d) of the Act, we notified the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. As the Department's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine, within 45 days, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of tetrafluoroethane from the PRC, or sales (or the likelihood of sales) for importation, of tetrafluoroethane from the PRC. If the ITC determines that such injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Return or Destruction of Proprietary Information

This notice also serves as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of propriety information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation,

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: October 14, 2014

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Appendix – Issues and Decision Memorandum

Summary

Background

Use of Adverse Facts Available

Weitron Kunshan

Critical Circumstances

Margin Calculations

Discussion of the Issues

Comment 1: Separate Rate Practice

Comment 2: Whether Weitron Kunshan Qualifies as a Respondent

Comment 3: Surrogate Country

Comment 4: By-products

Comment 5: Price Adjustments – ISO Tanks

Comment 6: Critical Circumstances

Comment 7: Whether to Continue to Rely on the Average-to-Average Margin
Calculation Methodology

Comment 8: Whether to Add an Additional USHTS Code to the Scope

Comment 9: Whether The Department's Rejection of Minor Corrections Was Contrary
to Law

Comment 10: Hydrogen Fluoride Surrogate Value

Comment 11: Color Salts Surrogate Value

Comment 12: Caustic Potash Surrogate Value

Comment 13: Dawson Gas Surrogate Value

Comment 14: Whether to Categorize Catalyst, Refrigerants and Compressed Air as
Factory Overhead

Comment 15: Compressed Air Surrogate Value

Comment 16: Selection of Surrogate Financial Statements

Comment 17: Calculation of Thai-Japan Financial Ratios

Comment 18: Inland Freight and Brokerage & Handling

Comment 19: Bluestar R22 Supplier Distance

Comment 20: Packing Materials

Comment 21: Domestic Movement Expense Calculation

Comment 22: Whether to Correct the Unit Weight of Certain Packing Inputs

Comment 23: Whether to Delete Unknown Country of Origin Sales from Weitron's
Reported Sales

Comment 24: Whether to Apply Subsidy Offset to Weitron's Margin

Recommendation

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